Mid-Long Term Business Strategy Update

September 15, 2020

Global CEO and
Representative Executive Officer

Shu Ishibashi

BRIDGESTONE
Solutions for your journey

Communication Plan

-Part 1 - July 8, Mid-Long Term Business Strategy Framework

■ **Complete picture of Mid-Long Term Business Strategy Framework**

Bridgestone 3.0 (Third Foundation)

- Part 2 - August 7, 1st half financial results announcement

■ **1st half financial results / full-year forecast**

■ **Mid-Long Term Business Strategy Update**

Core & Growth Business／ Direction of Portfolio Management

- Part 3 - September 15, Mid-Long Term Business Strategy Update @Bridgestone Innovation Park

■ **Mid-Long Term Business Strategy Update**

- Technology Innovation

  Rebuild earning power & trigger for next growth

- Bridgestone Innovation Park (Phase 1)

  Bridgestone Innovation Gallery Opening
  - Begin with Interaction

Bridgestone Innovation Gallery

November 12, 3rd Quarter financial results announcement

■ **3rd Quarter financial results / full-year forecast**

■ **Mid-Long Term Business Strategy Update**

February, 2021 Mid-term Business Plan announcement

■ **Mid-term Business Plan**

Based on Mid-Long Term Business Strategy Framework

BRIDGESTONE

Technology Innovation supports our VISION toward 2050

Serving Society with Superior Quality | Dan-Totsu × A truly global company | Glocal Management × Corporate Governance

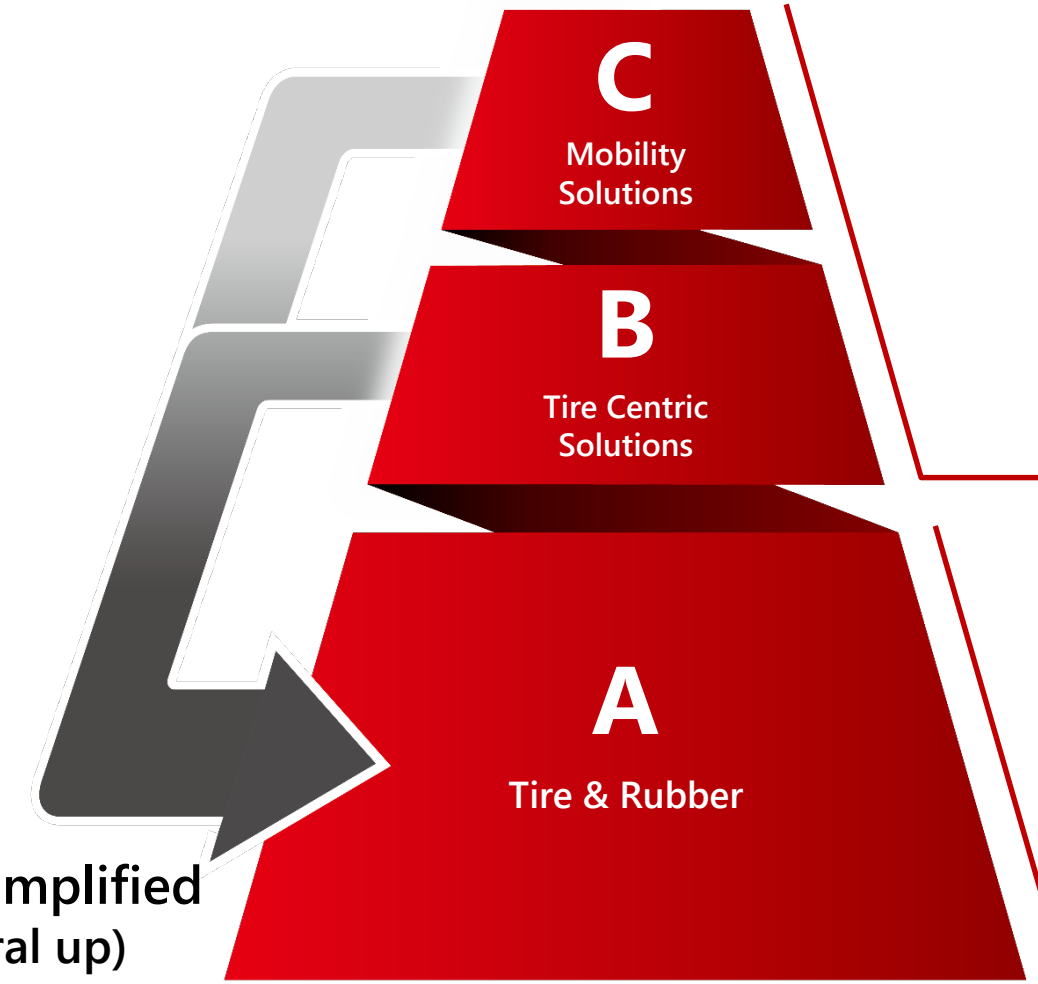
1931- **Bridgestone 1.0**	**Foundation**	Tire & Rubber	Japan・Asia	
1988- **Bridgestone 2.0**	**Global Company (Second Foundation)**		Global Development	1988 Firestone merger 2007 Bandag acquisition 2019 Webfleet Solutions acquisition
2020- **Bridgestone 3.0**	**Solutions Company (Third Foundation)**	Tire & Rubber × Solutions		

Technology Innovation

Continuous generation of innovation through the combination of “Real X Digital”

VISION Toward 2050, Bridgestone continues to provide social value and customer value, as a sustainable solutions company

Technology Innovation and Core Business & Growth Business



Value amplified
(Spiral up)

■ **Growth Business**

- Expand solutions business

- Accelerate "spiral-up" with Core Business

Retread, Webfleet Solutions, etc.

Bridgestone growth engine

■ **Core Business**

- Rebuild earning power

Reformation of expense and cost structure

Operational excellence

Bridgestone profit center

Technology Innovation contributes to Core Business & Growth Business as a trigger for next growth

BRIDGESTONE

Global Business Scenario (2020-2023)

	2020	2021	2022	2023
COVID19 impact	Estimated second wave	Impact continues throughout the year	Gradual recovery	Recovery
Stage	Crisis management	Crisis management / Rebuild earning power	Rebuild earning power / Strategic growth investment	Transformed new Bridgestone / Strategic growth investment

Strategic Focus

■ "Safety First"

■ Cash oriented management

Rebuild earning power

Reformation of expense and cost structure
Operational excellence：Premium business strategy (EtoE)

Strategic growth investment

Growth Business : Retread / Webfleet Solutions
Core Competence : DX / Innovation

■ **Reforms**
- Core Business : Strengthen premium category business
- New business portfolio
- Profitable resilient business structure

■ **Realize new growth strategy**
- Growth Business : Expansion of solutions business

Technology Innovation

Bridgestone Innovation Park (Total investment in Phase 1: approx. 30 Bil JPY)
Bridgestone Innovation Gallery／B-Innovation／B-Mobility

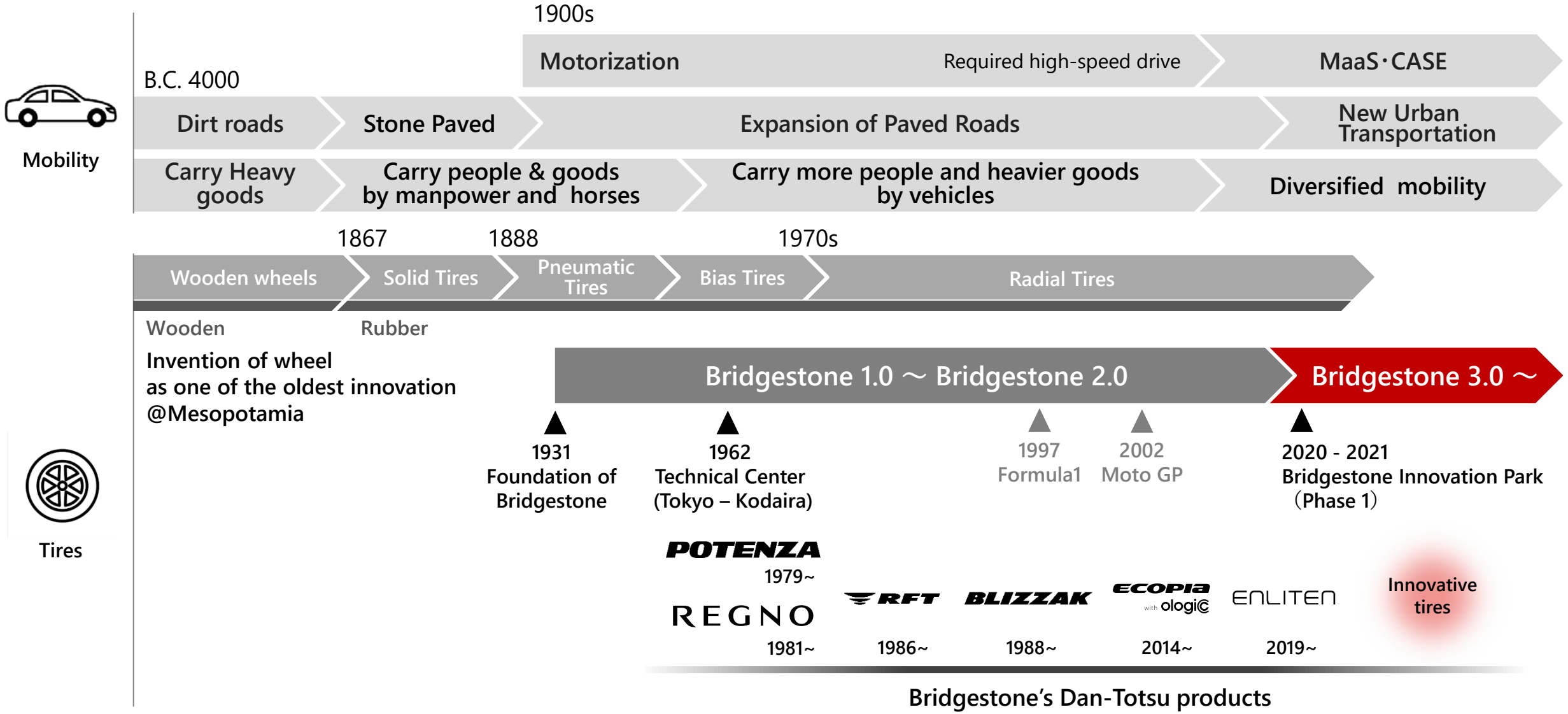
"Innovation for Solutions"

Real × Digital

- **Bridgestone DX**：Material・Product development・Manufacturing・Engineering chain
- **From interaction to co-creation**

"With greater data, faster, easier and more accurate" / Dan-Totsu products development and Dan-Totsu solutions evolution

Evolution of Mobility & Tires and Bridgestone



Bridgestone Innovation Park

Bridgestone 1.0 ～ Bridgestone 2.0


1960 Tokyo Plant establishment


1962 Technical Center

Bridgestone 3.0 ～

Vision of Kodaira-Tokyo Renovation - Bridgestone Innovation Park-

Creating future value from Kodaira, the birthplace of Bridgestone's technology

Contribution to motorization in Japan The newest model plant in 60's, with the newest plant layout Produce the best products with collaboration of plant and tech center facing each other	Mobility	Contribute to safe and comfortable mobility for society
Creation of a community with regional society and Bridgestone Built Employee apartments, hospitals, wellness facilities, donated elementary school	People	Contribute to active and fulfilling life for all
Contribution to the region's environment and teammate's health Plant greenscapes around facilities and managed exhaust and other emissions as well as noise and dust	Environment	Contribute to sustainable global environment


Bridgestone Innovation Park


Bridgestone Innovation Park
(Phase 1)
B-Mobility
Mini test course（2021～）
B-Innovation
Innovation center（2021～）
Bridgestone
Innovation Gallery
（Open in Nov. 2020＊）
Global innovation hub to generate new values through innovation
- Begin with Interaction toward Co-ideation, Co-R&D and Co-creation
＊Opening date will be determined with COVID-19 situation

1 WHO WE ARE

Our history of challenge

2 WHAT WE OFFER

Our contribution to mobility

3 HOW WE CREATE

Co-creation and innovation

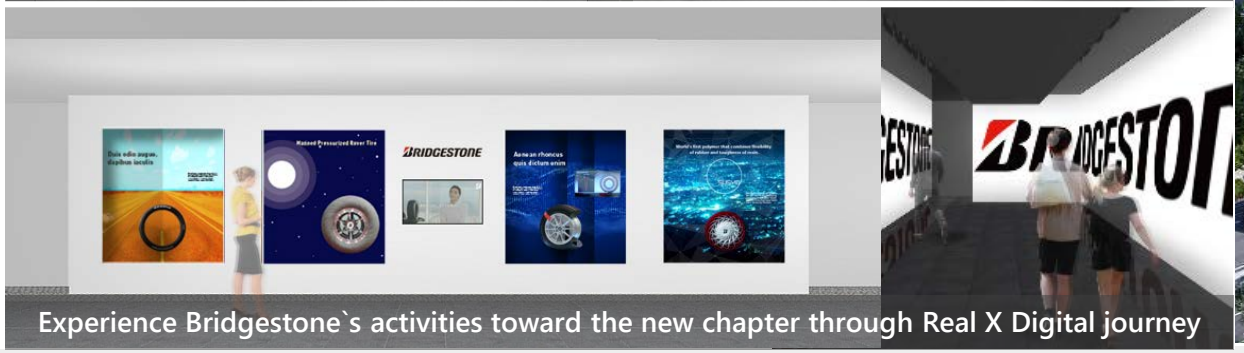
4 WHERE WE GO

To the new chapter

Bridgestone DNA, evolution and the new chapter

New values - Bridgestone deliver to customers and society

Experience Bridgestone`s Co-creation and innovation activities and possibilities



Experience Bridgestone`s activities toward the new chapter through Real X Digital journey

Bridgestone Innovation Gallery

（Open in Nov. 2020＊）

New interactional site - with customers, stakeholders and societies

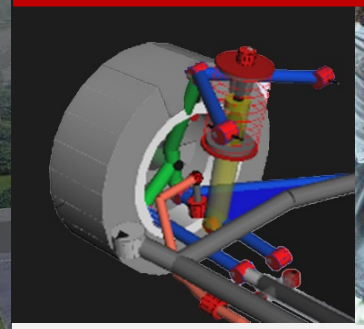
＊Opening date will be determined with COVID-19 situation

BRIDGESTONE

B-Innovation

Innovation center（2021～）

Co-creation



Co-creation thru Real X Digital activities
with partners

Interaction

Technical proposal / Look and touch
Experience innovation and its potential

Co-R&D

Research & development with partners
Develop and test

Co-ideation

Ideation utilizing VR
Sharing ideas in timely manner

BRIDGESTONE


B-Mobility
Mini test course (2021～)
×
B-Innovation
Innovation center（2021～）
Combination of Real X Digital enables agile development
by repeating the process – develop and test immediately

Global innovation sites & Centers of Excellence (CoE)

Unique Algorithm
Digital Simulation
Wear Prediction Model
Commonality・Modularity

Core of Technology Innovation

Digital Garage

Technical Center (Rome, Italy)

Bridgestone Innovation Park

Technical Center（Tokyo・Kodaira）

Mobility Lab.

Technical Center（Akron, OH, U.S.）

Accelerate innovation
through a global network of CoEs and in combination with Real X Digital

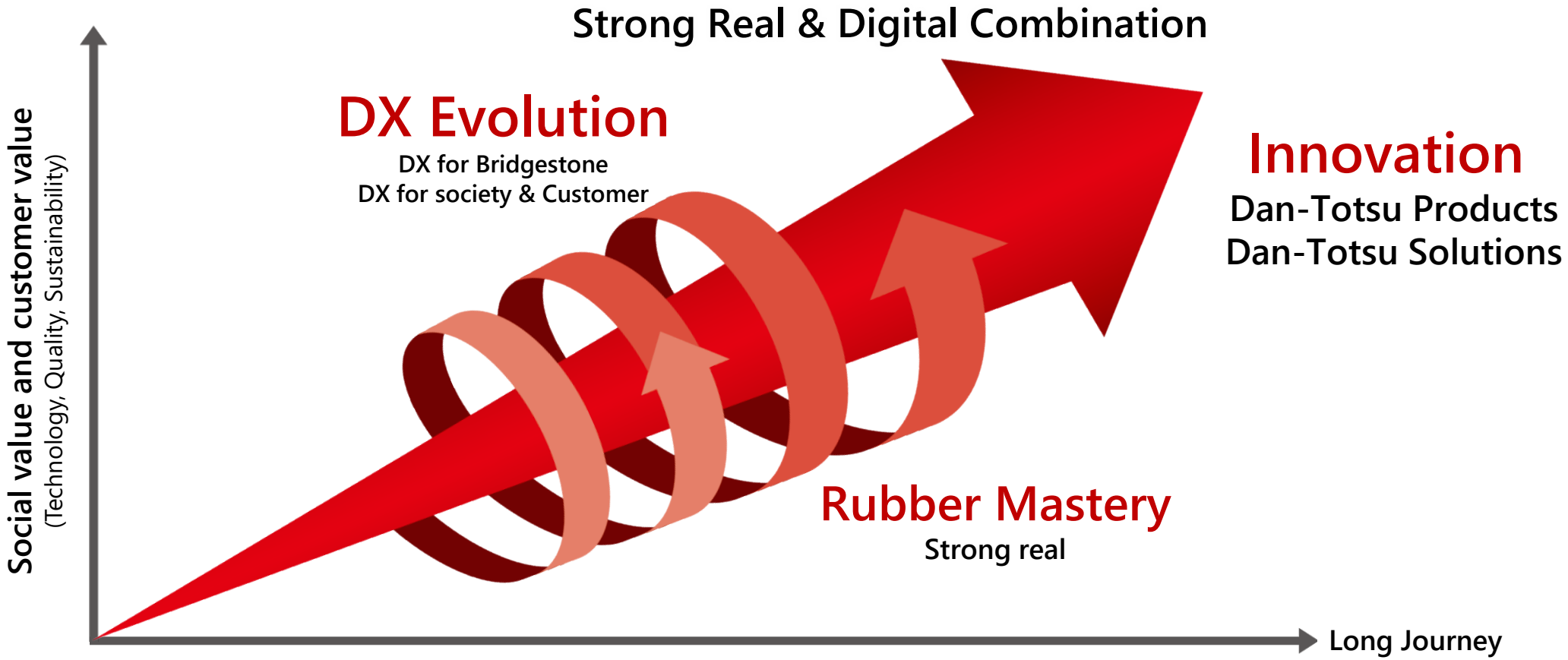
Technology Innovation

Senior Vice President and Executive Officer, Global CTO

Masato Banno

Concept of Bridgestone`s Technology Innovation

Technology Innovation supports sustainable business models
(creation of social value and customer value, sources of competitive advantage)

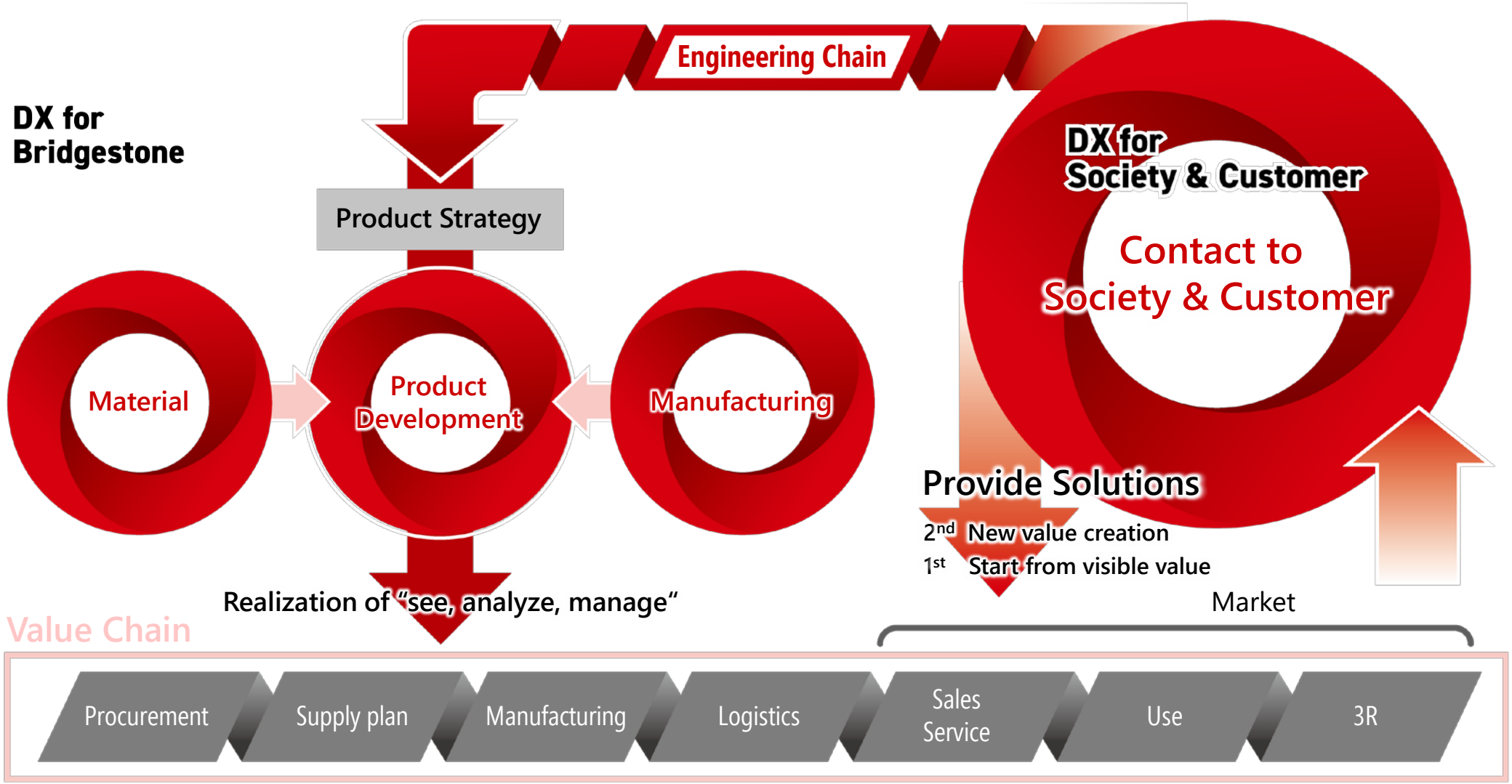


Master the rubber as a strong Real, and creating innovation through combination with Digital (DX*)

*DX= Digital Transformation

BRIDGESTONE

Bridgestone's DX*



*DX= Digital Transformation

BRIDGESTONE

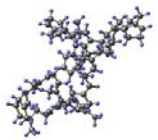
Bridgestone's DX

Engineering Chain

Real
(Skill of Takumi) Master craftsmanship

×

Digital

Material test data, measured data

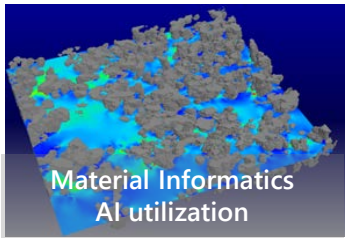


Design know-how, test data, measured data

Rubber and manufacturing data, craftsperson skills

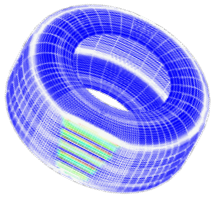
Material → Designing technology → Product Dev. → Evaluation technology → Mfg.

Material simulation

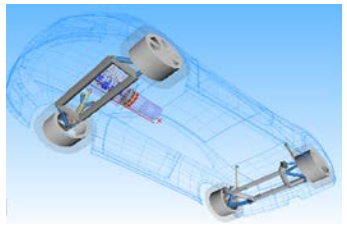


Solve the complexity of rubber in micro-level

Tire performance simulation



Tire model which can replicate the complexity of rubber



System model adjusted for the complexity of rubber and tire

Manufacturing simulation

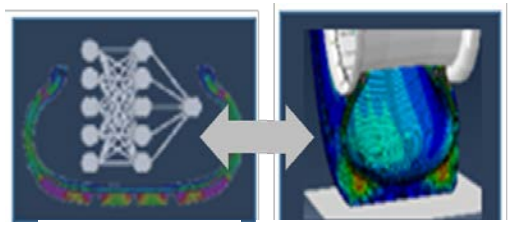
Modeling the complexity of rubber in each process

Value "spiral-up" by feedback to development

Customer data of tire and mobility

Contact to society & customer

"Digital Twin" connecting to market



AI model　　Simulation

Modeling the change of tires after usage

The combination of strong Real & Digital : Rubber Mastery/Simulation/Unique Algorithm

BRIDGESTONE

Rubber Mastery, Bridgestone`s unique strong Real

■ Extensive experience based on all vehicles, roads and usage conditions “Bridgestone knows the roads of the world”

Extreme

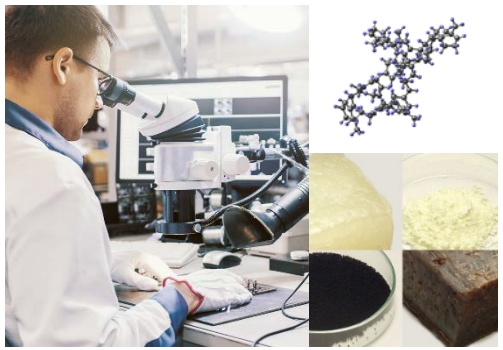
Long life

Durability

■ Measurement and Analysis Technologies

ULTIMATEYE

■ Material Technologies



■ Highly Acclaimed Product Lineup on market

Innovation through combination of strong Real and Digital technologies

BRIDGESTONE

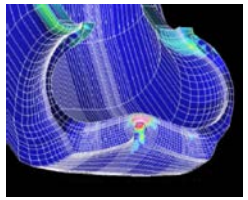
Innovation through combination of strong Real and Digital

Advanced Design Simulation *"See, Analyze, Manage"*

Strong Real (market and tire database)

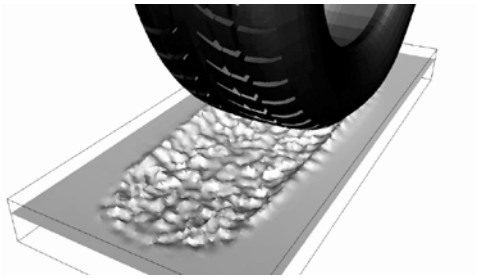
×

Digital

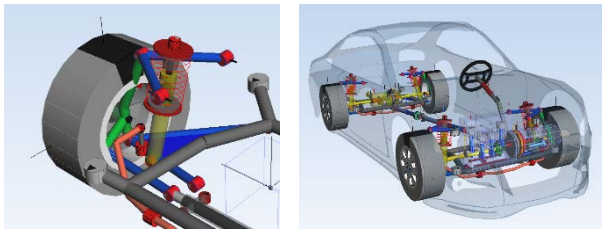


Structural CAE*

Advanced Design Simulation



Grounding condition simulation on all road surfaces



Combined simulation of tires and vehicles, etc.

BRIDGESTONE / MASTERCORE

ENLITEN

Accelerate creation of social value and customer value through Dan-Totsu Products

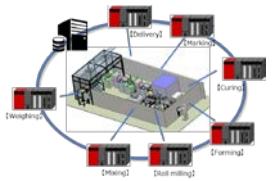
*CAE = Computer Aided Engineering

BRIDGESTONE

Innovation through combination of strong Real and Digital

Material and Compound Simulation *"See, Analyze, Manage"*

Strong Real (obtain accurate information fast)

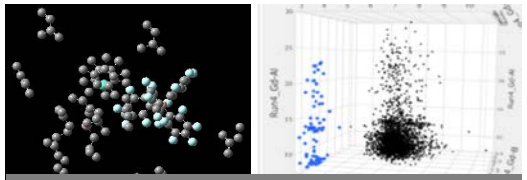


High-speed automatic experimental facility

High-precision analysis laboratory

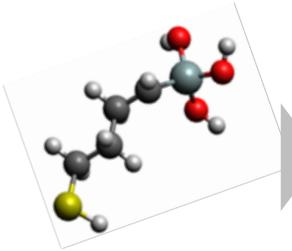
×

Digital

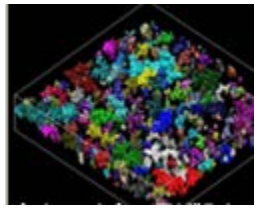


Material Informatics (Molecular CAE*)

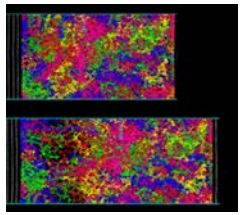
Material and Compound Simulation



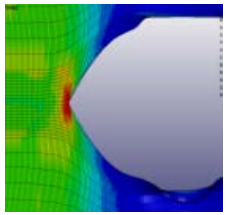
Create innovative materials



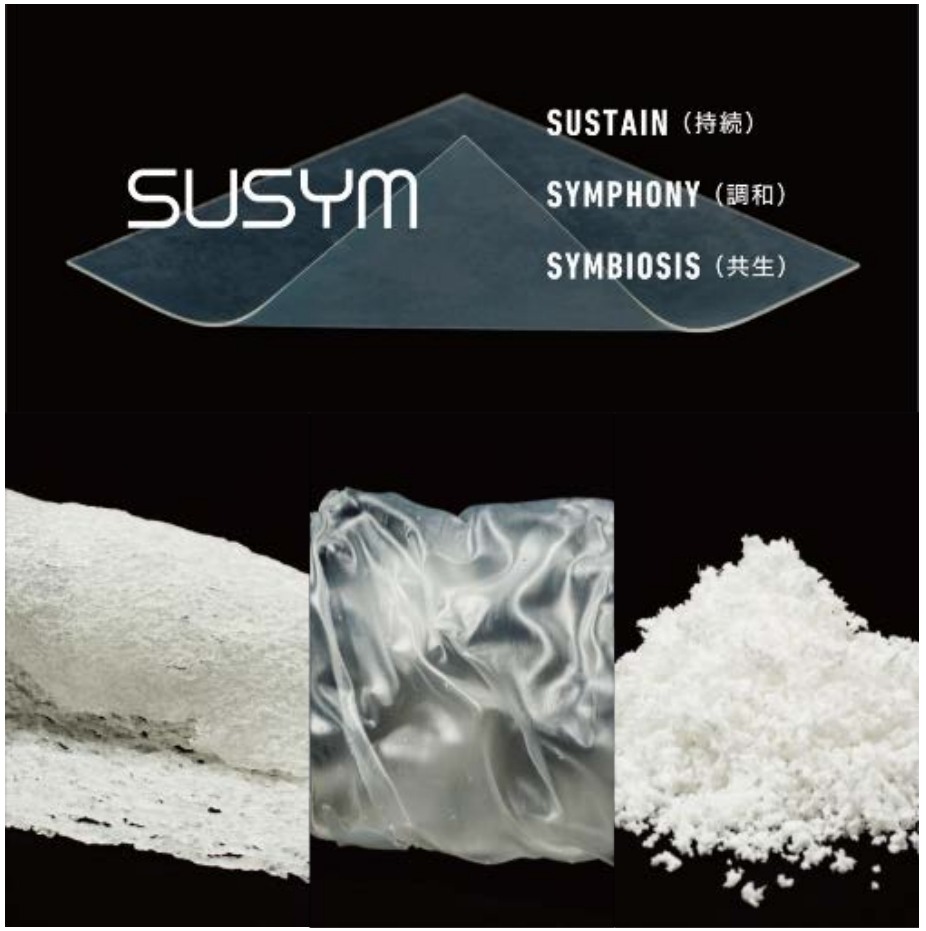
Mix up to nano level



Extend rubber



Crack growth



Accelerate innovative material development through combination of strong Real and Digital

*CAE = Computer Aided Engineering

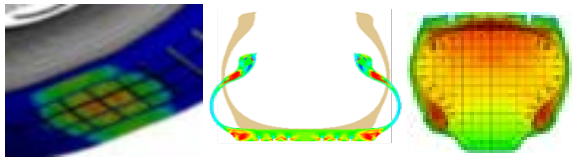
BRIDGESTONE

Innovation through combination of strong Real and Digital

Unique Algorithm *"See, Analyze, Manage"*

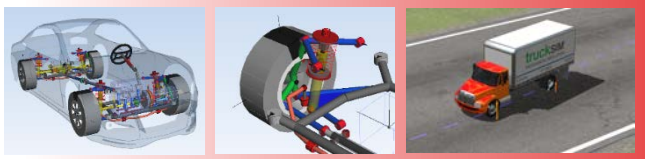
Strong Real × Digital

Tire Mechanism
・Grounding
・Wear
・Fatigue
・Unique deformation



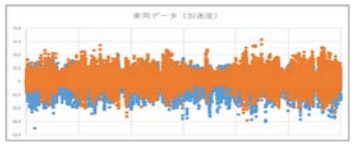
Unique Algorithms-Mechanism Knowledge

Unique model



Unique System Simulation

Real-time utilization of large quantities of market information with high precision

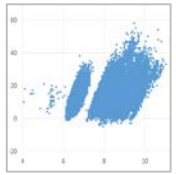


Vehicle driving data

webfleet solutions a Bridgestone company

basys tirematics

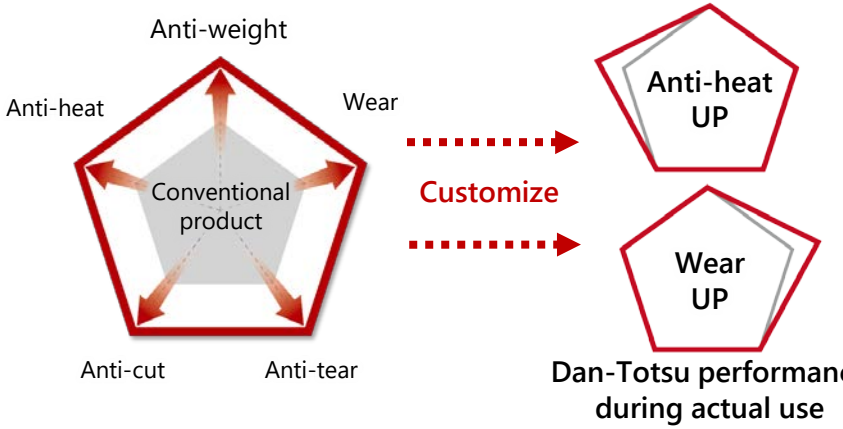
Bridgestone MINING SOLUTION CENTRE



Tire market data

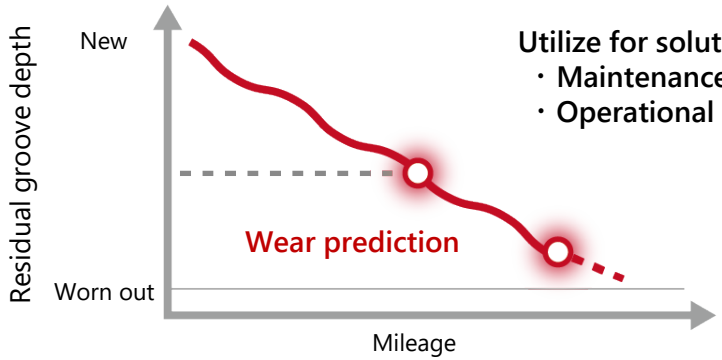
Driving Big Data in market

■ Dan-Totsu performance Customize performance



Dan-Totsu performance during actual use

■ Tire performance prediction



Utilize for solutions
・Maintenance efficiency
・Operational advice

Accelerate Dan-Totsu solutions with realization of real-time performance forecasts using our unique algorithm

BRIDGESTONE

Innovation through combination of strong Real and Digital

Aircraft Solutions - Japan Airlines (JAL) Collaboration

Our unique solution platform – Bridgestone T&DPaaS

Evolve into solution business utilization strength of tires and rubber

Prediction of tire performance status

Aircraft data

JAPAN AIRLINES

① Taxing mode

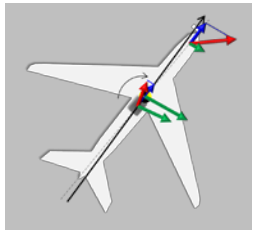
Constant grounding
same as other mobility

② Take-of and landing mode

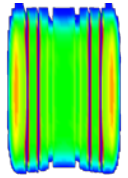
Instant grounding
Aircraft-specific

×

Core technologies

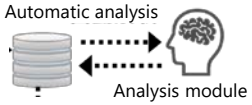


Aircraft model
Tire input conv. technology



Tire condition calculation logic

×



Unique machine learning Algorithm

① Reduction of maintenance man-hours
② Inventory reductions
③ Reduce environmental impact

Creating customers' and our values and social value

Expand technologies and services fostered in aircraft solutions to truck and buses, passenger cars, etc.

BRIDGESTONE

Innovation of Engineering chain

one part, one sheet drawing

Develop "goods base"

Technology for completeness and integration of products

Aggregation of the skills and onsite abilities of masters

Design accuracy	Experience and capabilities of designers
Actual vehicle evaluation	Experience and capabilities of evaluators

Bridgestone's unique tire development
Combination of "Real" and "Digital"

Offer Dan-Totsu products
Create social value and customer value

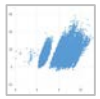
Feedback to product development

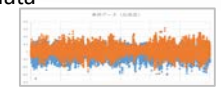
Innovation of Engineering Chain
Value Spiral Up

("With greater data, faster, easier and more accurate")

Obtain large volume of accurate market information in real time

Tire market data





Vehicle running data

tirematics

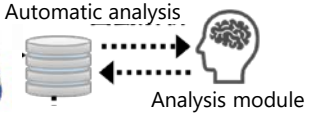
webfleet solutions

basys

Bridgestone MINING SOLUTION CENTRE

Analize through unique algorithms

Automatic analysis



Analysis module

Innovation of Engineering Chain by Real and Digital → Value Spiral up
Bridgestone's new way of working

BRIDGESTONE


Bridgestone Innovation Park
(Phase 1)
B-Mobility
Mini test course（2021～）
B-Innovation
Innovation center（2021～）
Bridgestone
Innovation Gallery
（Open in Nov. 2020＊）
Global innovation hub to generate new values through innovation
- Begin with Interaction toward Co-ideation, Co-R&D and Co-creation
*Opening date will be determined with COVID-19 situation

Innovation for solutions

Accelerating Product Development

Interaction and Ideation

Market Data

Internal and external collaboration
Interaction to co-creation

High-speed automatic experimental facility
Material, analysis lab
AI material design

New ideas

Idea Generation

Quick and Accurate Creation

Trial manufacture of each component

3D Printer

VR

Manufacturing simulation

B-Innovation × B-Mobility

Immediate Demonstration Mechanism Analysis

High-precision Measurement and Indoor Study

Demonstration experiment

Hand-sensitive measurement

Tire input measurement

Real measurement and real experience on real roads

Indoor measurement with Real & Digital

Vehicle stiffness measurement

Accelerate product development by engineers with "small, quick-moving thinking"

BRIDGESTONE

Innovation for solutions

From interaction with empathy to co-creation

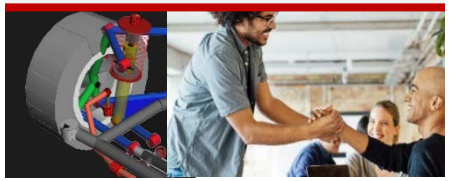
Accelerate creation of social value and customer value with external partners by not only mutually complementing but also fusing core domains,

Interaction

Co-ideation

Co-R&D

Co-creation



- Start new initiative "Open Innovation Hub" on a trial basis in 2018
- Get interaction with empathy of our products and technologies
- Co-ideation the integration of core competencies with all who have empathy
- Execute co-R&D and co-creation while checking the ideas

Rubber Sensing Technology utilizing AI

Wireless Power In-wheel Motor

- Collecting various technologies and core competencies in cooperation with many companies and customers
- Creating New Social and Customer Value through Co-Creation Activities with stakeholders

B-Innovation × Bridgestone Innovation Gallery

New challenges that leverage our core competencies
Co-creation of value by increasing touch points internally and externally

BRIDGESTONE

Bridgestone's Technology Innovation toward 2050

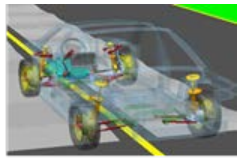
VISION

2050

Bridgestone contributes to provide social value and customer value, as a sustainable solutions company.

Social value and customer value
(Technology, quality, Sustainability)

Strong Real & Digital combination

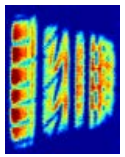

Simulation and Algorithm


Air-free concept®


Lunar tire

DX Evolution

DX for Bridgestone
DX for society & customers



Measurement and analysis technologies


Unknown material
Sustainable Materials

Innovation


Innovation and co-creation

Rubber Mastery

Strong Real

Dan-Totsu performance


Solid tire


Wood/steel wheels

Bridgestone 1.0-2.0

Bridgestone 3.0

2050

Accelerate Dan-Totsu products development and Dan-Totsu solutions through innovation of engineering chain by "Real × Digital"
Creating social value and customer value through continuous innovation to the future

BRIDGESTONE

BRIDGESTONE

Solutions for your journey

Statements made in this presentation with respect to Bridgestone's current plans, estimates, strategies and beliefs and other statements that are not historical facts are forward-looking statements about the future performance of Bridgestone. Forward-looking statements include, but are not limited to, those statements using words such as "believe," "expect," "plans," "strategy," "prospects," "forecast," "estimate," "project," "anticipate," "may" or "might" and words of similar meaning in connection with a discussion of future operations, financial performance, events or conditions. From time to time, oral or written forward-looking statements may also be included in other materials released to the public. These statements are based on management's assumptions and beliefs in light of the information currently available to it. Bridgestone cautions you that a number of important risks and uncertainties could cause actual results to differ materially from those discussed in the forward-looking statements, and therefore you should not place undue reliance on them. You also should not rely on any obligation of Bridgestone to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Bridgestone disclaims any such obligation.